



JUN 28 2018

Food and
Nutrition
Service

Park Office
Center

3101 Park
Center Drive
Alexandria
VA 22302

The Honorable Jerry R. Foxhoven
Commissioner
Iowa Department of Human Services
1305 East Walnut Street
Des Moines, Iowa 50319-0114

Dear Commissioner Foxhoven:

Today the U.S. Department of Agriculture released the official Supplemental Nutrition Assistance Program (SNAP) overpayment, underpayment, and payment error rates for Fiscal Year (FY) 2017 under the quality control (QC) provisions of Section 16(c) of the Food and Nutrition Act of 2008, as amended (the Act). The national performance measure (national average payment error rate) for FY 2017 is 6.30 percent.

Iowa's QC error rates for FY 2017 are:

Overpayment Rate	8.36 percent
Underpayment Rate	1.25 percent
Payment Error Rate	9.61 percent

Your payment error rate consists of the sum of the overpayment rate and the underpayment rate. Please note, this sum may not add up to the exact payment error rate due to rounding.

Statutory authorities regarding liability determination due to excessive payment error rates have been delegated by the Secretary of Agriculture to the Under Secretary for Food, Nutrition, and Consumer Services (FNCS). Under the Act, a 2-year liability system is in place. Under this system, a liability amount shall be established when, for the second or subsequent consecutive FY, FNCS determines that there is a 95 percent statistical probability that a State's payment error rate exceeds 105 percent of the national performance measure for payment error rates.

FNCS has determined that there is a 95 percent statistical probability that Iowa's payment error rate of 9.61 percent exceeds 105 percent of the national performance measure for FY 2017. Therefore, FY 2017 is the first year of Iowa's excessive payment error rate and this places the State in a position of potential future liability. No liability amount is being established for this FY. However, if next year there is also a 95 percent statistical probability that Iowa's payment error rate exceeds 105 percent of the national performance measure for FY 2018 and exceeds 6 percent, a liability amount may be established for your State for FY 2018. In such an event, Iowa will be able to appeal that FY 2018 determination and its associated liability amount.

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Proper administration of the SNAP QC system is our shared responsibility and is essential to guaranteeing the program is run efficiently, effectively, and with the utmost integrity. The Food and Nutrition Service will continue working with you as we strive to better serve our participants and practice good stewardship of taxpayer funds. Thank you for your partnership in administering this important program. If you have any questions or need more information, please call your Acting Regional Administrator, Cheryl Kennedy, at (303) 844-0300.

Regards,

A handwritten signature in black ink, appearing to read "Brandon Lipps", with a stylized flourish at the end.

Brandon Lipps
Administrator
Food and Nutrition Service